



Council Report

Report Number: RS2024-050

Meeting Date: October 22, 2024

Title: **Proposed Lease Agreement between Dunsford Community Centre Inc. and The Corporation of the City of Kawartha Lakes**

Description: Proposed Lease for Continued Use of Space for the Dunsford Library Branch at 26 Community Centre Road, Dunsford

Author and Title: Laura Carnochan, Acting Manager – Realty Services

Recommendations:

That Report RS2024-050, **Proposed Lease Agreement between Dunsford Community Centre Inc. and The Corporation of the City of Kawartha Lakes**, be received;

That the Lease Agreement attached as Appendix A to Report RS2024-050, be approved;

That the Mayor and City Clerk be authorized to execute any documents and agreements required by the approval of this agreement; and

That the necessary By-Law, as outlined in Appendix B to Report RS2024-050, be brought forward for adoption.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The Corporation of the City of Kawartha Lakes has been leasing space from Dunsford Community Centre Inc. since 2016 pursuant to a number of Lease Agreements and permissible extensions. The most recent Lease Agreement commenced on January 1, 2020 for a three-year term, with two one-year renewals. The City is currently in its second renewal, which will expire on December 31, 2024.

The space rented by the City consists of 1,237 square feet of occupied space, including washrooms solely used by the library staff and patrons.

The Dunsford Library is open three days each week, operating a total of 12 hours per week.

As the existing Lease is set to expire, Staff have negotiated a new Lease Agreement with the same terms for this space, save and except the term of the Agreement and the amount of the annual rent, which will increase by 3% each year.

The proposed Lease Agreement was discussed by the Kawartha Lakes Public Library Board on June 6, 2024 and it was the recommendation of the Board that proposed five-year Lease Agreement with annual 3% increases to the rental amount be approved.

The purpose of this report is to provide Council with an opportunity to consider the terms of the proposed Lease Agreement and for Council to provide direction required to execute this Agreement. The proposed Lease Agreement is attached at Appendix A. The By-Law required to authorize the Mayor and Clerk to sign the Lease Agreement is attached as Appendix B.

Rationale:

The proposed Lease Agreement provides the City with a five-year term, along with the right to renew the Lease for two further terms of five years each.

The annual rent is proposed to increase by 3% each year. This is an increase from the previous annual increases of 2%. This increase was approved by the Library Board at its meeting on June 6, 2024.

Other Alternatives Considered:

Council could direct that the Lease Agreement not be approved. This is not recommended in this circumstance as the Library has not identified an alternative space in the Dunsford area at this time.

Alignment to Strategic Priorities:

The recommendations set out in this Report align with the following strategic priority:

- An Exceptional Quality of Life
 - Provide recreation and leisure programs that meet the needs of the community
 - Maintain community hubs for social, healthy interactions

Financial/Operation Impacts:

The annual rent will increase by 3% each year of the term as follows:

January 1, 2025 to December 31, 2025 – yearly rent of \$23,353.93;
January 1, 2026 to December 31, 2026 – yearly rent of \$24,054.55;
January 1, 2027 to December 31, 2027 – yearly rent of \$24,776.19;
January 1, 2028 to December 31, 2028 – yearly rent of \$25,519.48;
January 1, 2029 to December 31, 2029 – yearly rent of \$26,285.06.

The City is also responsible for the cost of telephone service and Tenant insurance.

Dunsford Community Centre Inc. is responsible for realty taxes, heating, hydro, snow removal, landlord's liability insurance, cleaning (interior and windows), and any other utilities which may be applicable.

Should the City enter into the two permissible extensions, the annual rent will continue to increase each year by 3%.

Consultations:

Library Director/CEO
Kawartha Lakes Public Library Board

Attachments:

Appendix A – Proposed Lease Agreement



Appendix A -
Proposed Lease Agri

Appendix B – By-Law to Authorize Execution of the Lease Agreement between Dunsford
Community Centre Inc. and The Corporation of the City of Kawartha Lakes



Appendix B -
By-Law to Authorize

Department Head E-mail: rcarlson@kawarthalakes.ca

Department Head: Robyn Carlson

Department File: L17-24-RS008